

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR APPROVAL OF)	
CONSTRUCTION OF STANDBY POWER)	CASE NO.
GENERATORS AND ISSUANCE OF A)	2006-00372
CERTIFICATE OF CONVENIENCE AND)	
NECESSITY)	

O R D E R

Northern Kentucky Water District (“NKWD”) has applied for a Certificate of Public Convenience and Necessity to construct standby power generators at the Ohio River Pump Station at an approximate total project cost of \$1,800,000. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. NKWD proposes to construct standby power generators at the Ohio River Pump Station.
2. The Ohio River Pump Station was constructed in 1997 and supplies raw water to the Ft. Thomas Treatment Plant, which treats approximately 80 percent of the water used in its system.
3. A vulnerability assessment was performed in May 2004 and recommended backup power generators to its most critical facilities which include the Ohio River Pump Station in case of a power failure. The backup generators will provide enough power to run two pumps at a combined flow of approximately 25 million gallons per day.

4. Board of Commissioners approved Lake Erie Electric as the lowest and best bid for the construction of the Ohio River Pump Station standby generators at a cost of \$1,705,620.

5. NKWD proposes to finance \$1,705,000 of the proposed project through a Bond Anticipation Note to be issued later and \$95,000 of the bonds approved in Case No. 2005-00148.¹

6. Quest Engineers, Inc., of Cincinnati, Ohio prepared the drawings and specifications for the proposed standby generators.

7. Approval from the Division of Water of the Environmental and Public Protection Cabinet Department for Environmental Protection is not required for this type of construction.

8. The public convenience and necessity require the construction of the proposed Ohio River Pump Station No. 1 standby generators.

IT IS THEREFORE ORDERED that:

1. NKWD is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set forth in its application.

2. NKWD shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

¹ Case No. 2005-00148, Application of Northern Kentucky Water District for (A) An Adjustment of Rates; (B) a Certificate of Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds.

4. NKWD shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. NKWD shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. NKWD shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

Done at Frankfort, Kentucky, this 4th day of October, 2006.

By the Commission

ATTEST:



Executive Director